Chapter 7. Branding

7.1 INTRODUCTION

A successful online brand is dependent on a wide range of factors. It may be an e-commerce site with high levels of traffic, a product/service with good name recognition/profitability, a site with more modest sales levels, but one that customers perceive as providing good service. Although sites meeting only some of these criteria are often described as successful brands.

The importance of building an effective online brand is often referred to when start-ups launch e-commerce sites, but what does branding mean in the online context and how important is online branding for existing companies.

Branding seems to be a concept that is difficult to grasp since it is often used in a narrow sense. Many think of branding only in terms of aspects of the brand identity such as the name or logo associated with a company or products, but branding gurus seem agreed that it is much more than that. A brand is described by Chernatony and McDonald\(^\text{92}\) as:

"An identifiable product or service augmented in such a way that the buyer or user perceives relevant unique added values which match their needs most closely. Furthermore, its success results from being able to sustain these added values in the face of competition”

This definition highlights three essential characteristics of a successful brand i.e. Brand is dependent on customer perception; perception is influenced by the added-value characteristics of the product; the added-value characteristics need to be sustainable.

7.2 TYPES OF BRANDS

There are many different types of brands. One simple way to distinguish between brands is in terms of where they originated, that is,

\(^{92}\) Leslie de Chernatony and Malcolm McDonald, 1992, Creating Powerful Brands.
online or offline. Classic offline brands include the Pantaloons, Jet Airways, and ICICI Bank. New to the world, or online brands include naukri.com, baazee.com, shadi.com, and 99acre.com. However, as the Internet expanded, offline brands began to cross over into the online world, and online brands shifted to the offline world. The result is blurring of the distinction between pure offline and pure online brands. Consider the following developments:

- Brands such as naukri.com were established as online brands but use offline promotional activities to grow their brand awareness.
- Brands such as yahoo magazine are “traditional brands” in the sense that the product is established in the physical world, but they are extensions of the online brands and thus a mixture of the two.
- Brands such as ICICI bank has successfully bridged the gap between online and offline activities.
- Brands such as indiamart.com are online brands in the sense that the product is established in the virtual world, but by a traditional brand.
- Brands such as Jet Airways have shifted their product by moving from traditional, offline brands to online brand. Brands such as Pantaloons were established offline but use online promotional activities to grow their brand awareness and loyalty.

It is useful to introduce two further distinctions to the discussion of brands. First is the nature and degree of the transactional aspects of brands internet presence. Brands can be divided into two categories according to whether they were established as a traditional brand or as an online brand. A further distinction is the purpose of the site as solely branding, branding and selling, an intermediary site, or a full e-commerce site. The second dimension is whether the brand is directed at the business-to-business or business-to-customer market.
This categorization of brands illustrates some basic differences in the branding strategies used by online firms. Some brands originated offline and were then extended to internet. These brands are using the Internet either solely as a branding vehicle (e.g. Pantaloons), or to sell products or services as well (e.g. Jet Airways). In contrast, brands that originated on the Internet have all been established with some transactional or e-commerce purpose. Their focus has been to sell product directly to consumers (e.g. flipkart.com) or act as a distribution channel to bring together buyers or sellers together (e.g. naukri.com). In all of these models branding plays a key role.

Effects of 2Is on Branding

Branding is fundamentally changed by the interactivity and individualization of the internet. As the relationship require interactive and individualized communication. The Internet has affected branding by enabling 2I communication with literally millions of customers simultaneously. Never before has it been possible to implement branding strategies that are individualized in content and timing, and that enable consumers to engage in a dialogue with the firm behind the brand. The result is that consumers now have a much richer understanding of the brands they love. Where else can a consumer watch his or her favorite Pantaloons or Ske’s ad at the click of a mouse button (over and over and over again). In addition, by being able to interact with the brand, consumers are able to co-create a personal version of the brand. This enhances the opportunity for individuals to bond with the brand. The 2Is of Internet-based communication help establish and maintain brand meaning in several essential ways as summarized in diagram 7.1.
Diagram 7.1
The 21s and Branding

Interactivity

Individualization

Responsiveness becomes a key brand attribute as customers recognize that their concerns are heard and responded to across multiple channels.
- The frequency of interaction is increased-leading to the need to fresh-up content and target messages to specific usage occasions.
- Customers expect the brand to evolve in response to their needs and desires.

Community

Interactivity creates value because the brand is tailored to the individual.
- Customers gain a sense of control with respect to the nature and timing of their interactions with the brand.
- There is a danger that the brand will stray from its core personality.

7.3 BRAND EQUITY AND ITS MEASUREMENT

Brand equity refers to the marketing effects or outcomes that accrue to a product with its brand name compared with those that would accrue if the same product did not have the brand name and, at the root of these marketing effects is consumers' knowledge. In other words, consumers' knowledge about a brand makes manufacturers/advertisers respond

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differently or adopt appropriately adept measures for the marketing of the brand. The study of brand equity is increasingly popular as some marketing researchers have concluded that brands are one of the most valuable assets that a company has\textsuperscript{94}.

An alternative perspective on branding is provided by Aaker and Joachimsthaler (2000) who refer to brand equity, which they define as:

“A set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm’s customers.”

Thus brand equity indicates the value provided to a company, or its customers through a brand.

Measuring Brand Equity

Measuring brand equity can be difficult; it can also provide managers with a good indication of their company's future profitability. "Companies which develop good measures of their brand equity have an early warning indicator of likely future profit trends, and can get a much better feel of the dangers of short-termism. “Mitchell\textsuperscript{95} noted if brand equity is falling, you're storing up trouble for yourself…. If brand equity is rising, you're investing in future performance, even if it's not showing through in profits today. Real business performance therefore equals short-term results plus shifts in brand equity."

Unfortunately, measuring brand equity is not as simple as counting the number of people who recognize a brand name or symbol. It is also dangerous to assume that simply because its brand is well-known, a company enjoys strong or growing brand equity. In fact, the most powerful brands can easily be diluted by company missteps or inconsistent marketing messages. Mitchell\textsuperscript{96} explained the best way to measure brand equity depends on the


particular company and its industry. For example, in some cases assessing consumer perceptions of product quality may provide the best indication of brand equity. In other cases, more traditional business measures such as customer satisfaction or market share may be more closely correlated with brand equity.

Finding an appropriate measure of brand equity is vital in order for companies to ensure that they protect this valuable asset. In his Risk Management article, Knapp \(^7\) claims that managers must remain constantly vigilant to protect their brand equity, since a declining brand image poses a significant risk to company earnings. If a brand loses its distinctive image in the minds of consumers, then the branded product becomes more like a commodity and must compete on the basis of price rather than value. Customer loyalty decreases, which has a corresponding negative effect on market share and profit margins. In order to prevent this decline, Knapp recommends that companies consider the impact of major decisions on consumer perceptions and brand equity. Every action taken by management including the introduction of new products or advertising strategies, or the decision to lay off employees or relocate a factory should be assessed for its effect on brand equity.

There are many ways to measure brand equity. Some measurements approaches are at the firm level, some at the product level and still others are at the consumer level.

**Firm Level**

Firm level approaches measure the brand as a financial asset. In short, a calculation is made regarding how much the brand is worth as an intangible asset. For example, if you were to take the value of the firm, as derived by its

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\(^7\) Knapp, Duane E. "Brand Equity." Risk Management. September 1999
market capitalization - and then subtract tangible assets and "measurable" intangible assets - the residual would be the brand equity.98

Product Level

The classic product level brand equity measurement example is to compare the price of a no-name or private label product to an "equivalent" branded product. The difference in price, assuming all things equal, is due to the brand.99

Consumer Level

This approach seeks to map the mind of the consumer to find out what associations with the brand that the consumer has. This approach seeks to measure the awareness (recall and recognition) and brand image (the overall associations that the brand has). Free association tests and projective techniques are commonly used to uncover the tangible and intangible attributes, attitudes, and intentions about a brand.100 Brands with high levels of awareness and strong, favorable and unique associations are high equity brands.

All of these calculations are, at best, approximations. A more complete understanding of the brand can occur if multiple measures are used.

Companies often seek to leverage their brand equity by transferring consumers' positive associations with a brand to a related product or service. In the late 1990s, many companies attempted to extend their brands into the field of electronic commerce. But doing business online proved difficult even for established businesses with popular brands. "Think branding an offline business is tough. It's nothing compared with creating a brand for your company's electronic offshoot," Rochelle Garner101 declared in an article

for Sales and Marketing Management. "That's because B-2-B (Business-to-Business) brands are built brick by independent brick with customer service, support, and quality—and are cemented by personal relationships. In the offline world, those relationships are forged by a sales force that calls on customers face-to-face. Successful online brands must deliver those same elements, and more, through the use of technology."

Assessing brand equity on the web needs to address the unique characteristics of computer-mediated environments as Christodoulides and de Chernatony (2004) have pointed out. These researchers set out to explore whether additional measures of brand equity were required online. Based on expert interviews they have identified the additional measures of brand equity which are important online, as summarised in Table 7.1.

Table 7.1

<table>
<thead>
<tr>
<th>Traditional Measures of Brand Equity</th>
<th>Online Measures of Brand Equity</th>
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<tbody>
<tr>
<td>(Aaker and Joachimsthaler, in year 2000)</td>
<td>(Christodoulides and de Chernatony, in year 2004)</td>
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<tr>
<td>Price Premium</td>
<td>Online brand experience</td>
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<td>Satisfaction or Loyalty</td>
<td>Interactivity</td>
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<tr>
<td>Perceived quality</td>
<td>Customization</td>
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<td>Leadership popularity</td>
<td>Relevance</td>
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<td>Perceived value</td>
<td>Site design</td>
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<td>Brand personality</td>
<td>Customer service</td>
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<td>Organizational associations</td>
<td>Order fulfillment</td>
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<td>Brand awareness</td>
<td>Quality of brand relationships</td>
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<td>Market share</td>
<td>Communities</td>
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<tr>
<td>Market price and distribution coverage</td>
<td>Web site logs</td>
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</table>
7.4 **MARKETING PROGRAMS TO BUILD BRAND EQUITY**

Very broadly, brand perceptions are affected by all interactions between the firm and its customers. The online firm has the potential to enhance brand equity through website design, the brand name and logo, the types of services that are offered, co-branding arrangements etc. The key issues faced by a firm to create strong brands in an increasingly online world are price, product, promotion and distribution strategies that affect brand equity.

**Pricing Program**

Consumers’ perceptions of the brand are affected by various aspects of the firm’s pricing program i.e. the brand high, medium or low priced. In some instances consumers may infer that quality and price are related—the higher the price, the better the quality. Price has been found to signal higher quality in situations where three requirements are met i.e. consumers are not able to assess quality easily, where high quality is demanded and where there is a sufficiently large percentage of the market that is able to assess quality and is willing to pay high price for it. These criteria apply to product categories such as wine, consumer electronics, appliances, and consulting services.

A second issue is how often the brand is on sale. Frequent discounting is likely to have a negative impact on brand equity because it communicates undesirable brand characteristics such as “it’s made by a firm that doesn’t plan very well”, or “they must have trouble selling the brand at its regular price”, or “it’s a discount brand and so it’s not suitable for a gift.” A related issue is the depth of the discount given to the brand. Large discounts exacerbate the negative conclusions that consumers might reach about a brand because of price discounts.

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A third issue is the product line pricing strategy. The one of the worst strategies multiproduct companies can undertake is to market products at different price levels under the same brand name. The argument is that consumers are confused by Johnny Walker Red and Johnny Walker Black because of the different quality and price levels of red and black sub-brands. Whereas Johnny Walker Black is a premium priced brand that is aged at least 12 years, Johnny Walker Red is a less expensive brand. When someone orders a “Johnny Walker” others are not quite sure whether he or she is a drinker of premium or average scotch. This confusion is particularly deadly for brands that are seeking exclusive or prestigious positions.

**Product Program**

The brand’s product strategy has obvious implications for brand equity. The benefits provided by the product or service are what consumers are buying and so if the product is poorly designed, the long term effect on the brand will be negative (no matter what the advertising, promotion, distribution and or pricing strategies). Regardless of what else the firm does in the marketing realm, it is critical that it deliver value to consumers. To do so, firms must periodically improve the brand to keep consumers interested and to support its positioning.

One of the most fundamental aspects of product design that affects brand perceptions is quality - a product’s degree of excellence or superiority. The following seven dimensions of quality are thought to apply to a wide variety of products.

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a) **Performance** :

It is the capacity of the product to carry out its primary function. For an online newspaper, performance might be measured in terms of the timeliness, accuracy, and depth of coverage on important news stories. For a personal computer, performance might be measured by processor speed, size of memory, video capabilities and disk space.

b) **Features** :

These are the characteristics of the product that supplement its primary function. An MP3 player’s features include the ability to customize player settings, a randomized play option and a mute button.

c) **Reliability** :

It is the probability that a product will function well until a specified time period. Reliability can also be measured as the mean time between failures, or the time before the first failure.

d) **Conformance** :

It is an engineering term that related to the degree to which a product’s design and operating characteristics meet established standards. At justFlowers.com, conformance might be measured by the degree to which the delivered flowers are consistent with a predetermined standard of color or aroma.

e) **Durability** :

It is defined as the amount of product use that is achieved before replacement is preferred to repair. Product durability can also be defined as the useful life of the product.

f) **Serviceability** :

It is the ease with which a product can be serviced or upgraded. This is an important aspect of many products purchased online because of the absence of face to face technical support. For example, consumers are more
likely to purchase a computer from an online vendor if they can easily repair or service the machine themselves.

g) Aesthetics:

It is how the product looks, feels, smells, and sounds. In the case of website design, this is an important part of the brand experience. To know the way by which the brand can be high quality if its website is not pleasing to the eyes and ears.

An interesting study in the consumer durables industry provides direct support for the importance of product quality as a component value. David Curry studied the appliance industry over a 20 year period to assess the relationship between product quality and market.\textsuperscript{106} Using consumer reports data as an objective measure of quality, he found a strong relationship between value (defined as product quality divided by price) and market share. His findings suggest that consumers tend to reward firms that provide the best value. In turn, a brand that consistently offers exceptional value (high quality at a low price) should be viewed very positively.

**Distribution Program**

The channels used to distribute a product can have a significant effect on brand equity and sales success. As discussed in the chapter 6, each type of channel intermediary offers a different value configuration to consumers. Channels that provide superior value should enhance the brand equity of the brands that they carry. Further, specific intermediaries within a category can have different capabilities and offer dissimilar levels of customer service. A specialty brand such as Sonata (wrist watches) would want to distribute only through retailers that are capable of presenting their brand and products in the best possible light. Every retailer that handles their

brand should provide a high level of customer care in terms of return policies, warranty handling procedures, pricing, and advertising support.

A second important way in which the distribution strategy can affect brand equity is through the number of retailers. If the firm attempts to use an extensive distribution system, the brand may be affected negatively because extensive distribution increases competition between retailers, and this places a downward pressure on price. As identified previously, a significantly or frequently discounted price can have a negative effect on brand perceptions. Also, greater price competition produces lower margins for retailers and generates fewer profits to support the brand. As a result, retailers are less likely to invest in cooperative advertising, point of purchase materials, and sales training. The same downward pressure on prices, margins, and brand support occurs when the firm uses multiple channels to reach the same customer segment.

**Promotional Program**

Promotion includes all forms of communication designed to inform, remind, or persuade target customers. The most critical aspect of promotion in branding is the “unmatchable message” that is consistently communicated. Messages such as Cleartrip’s “Clear your trip” and Naukri’s “naukri kabhi bhi kahi bhi” are examples of strong messages that point to the essence of the brand (innovation and acceptance, respectively). These messages must be reinforced over time, and cross all forms of communication-media advertising, online advertising, brochures, direct mail outdoor, etc.

The advent of the Internet has meant an increase in the number and complexity of branding communications. Although the Internet offers many new avenues to communicate with and persuade consumers, it can also lead

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to inconsistencies in the messages that are heard or seen by consumers. Two factors contribute to message inconsistency—technological constraints, and creative differences that can exist between Internet advertising boutiques and offline advertising agencies.

Technological constraints can mean that brands “fracture” when they reach the Web. \textsuperscript{108} \textbf{Future group}, for example, is known for its vast selection and knowledgeable and accessible salespeople. It is very difficult for the firm to replicate this same brand on the Internet (futurebazaar.com). \textbf{Future group} cannot offer the same access to knowledgeable staff online as it does in the store. Although presenting different messages online and offline breaks a cardinal rule of branding—the need for a consistent message—it may be inevitable under some circumstances.

The second issue is that firms often use different agencies to handle their online and offline branding efforts, and this increases the likelihood of inconsistent communications. The design and maintenance of a website requires a combination of technical and creative skills that many full-service ad agencies have not had until recently. Further, many organizations have tended to look at websites as a separate aspect of the promotional mix. In the rust to establish an online presence, some companies have forgotten about the need to link the Internet experience to their brand’s heritage. The results can be branding confusion.

\subsection*{7.5 EFFECTS OF BRAND ON CUSTOMER RELATIONSHIP}

Till this point the emphasis has been on understanding brands and the marketing programs or activities that can be used to build them. This perspective has viewed the brand as an outcome of the activities undertaken by the firm. A second perspective is that brands interact with the other

marketing levers to affect customer relationships. This section argues that, if used properly, brand equity can enhance the effects of all other marketing levers on buyer-seller relationship. The fundamental point is that high-equity brands increase consumers’ responsiveness to price, product, promotion and distribution programs. As a result, firms with high equity brands create customer awareness, exploration, and commitment with lower investments than their low-equity competitors. The presence of a strong brand enhances positive marketing activities and minimizes the downside of negative occurrences in the environment (e.g. product tampering) or marketing mistakes. These effects are summarized in diagram 7.2

**Diagram 7.2**
*Brand as a Moderating Variable*

![Diagram showing the relationship between brand equity and marketing levers]

*For advertising, a brand can enhance awareness.*
Awareness

Awareness is a critical component of brand equity. Consumers must be aware of a brand, that is, have some knowledge of it, for equity to exist. Further, awareness of the brand is needed before a buyer-seller relationship can develop. Below are some of the key ways in which the brand interacts with marketing levers to increase awareness.

Offline advertising

A recent survey of Internet users found recall scores of 78% for Amazon.com, 76% for Monster.com, and 74% for Oxygen.com. Advertising well-known and liked brand such as Amazon, Monster, or Oxygen should be more effective because it is already known by the target market, and so it requires fewer repetitions to “break through the clutter” and communicate its message.

The advantages of using existing brands in creating awareness for brand extensions—new products (or websites) that are introduced with an existing brand name are very clear. Developing a new brand name is very expensive and risky. Introducing a website or new product with an existing brand name leverages consumers’ existing brand awareness and knowledge. The bottom line is a reduction in the expenditures needed to introduce the innovation and build customer relationship.

Web Price Discount

Some consumers may interpret a price discount as a sign of lower quality or a lack of brand popularity. A strong brand can both overcome these perceptions and enhance the attractiveness of the discount. A discount on a high equity brand is less likely to be perceived as a sign of poor quality because of the preexisting, strong, and favorable brand associations. Further,

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customers are attracted to the discount offer because of their awareness and favorable brand beliefs.

**Increased Number Of Channel Intermediaries**

A key measure of brand equity is the willingness of other firms to enter into co-branding or revenue sharing alliances. Strong brands are appealing to prospective partners because of their effects on consumer responses. In turn, increasing the number of channel intermediaries will have a greater impact on awareness with a high versus low equity brand.

**Online billboards**

Banner ads are likely to provoke greater curiosity and interest among users when they are for a high equity brand. The banner ads that are the most successful are those that are of interest to the consumer. This interest is related to both the nature of the product category and the reputation of the company as expressed by the brand.

**Exploration and Expansion**

Strong brands help stimulate consumer interest that in turn leads to exploration and expansion. Brands that are familiar and hold positive associations for consumers can be leveraged to stimulate exploration through several marketing programs elements.

**Direct Mail**

According to one consumer study, approximately 46% of the public see direct mail offers as a nuisance, and 90% consider them an intrusion. A critical issue, then, is trying to create enough consumer interest to avoid having a direct mail piece thrown away. The perceived value of direct mail should be higher with a high equity brand. Customers are likely to read and

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respond to a direct mail piece because of their preexisting attachment to the brand and the company behind it.

**Targeted price promotion**

A recent study indicated that the price elasticity is higher for brands that have large market shares. In other words, a price discount on a valued brand will have a larger effect on market share than the same price discount on an unknown or low equity brand. Moreover, as discussed under, marketing programs to build brand equity, there are situations in which consumers will infer quality from price. A price discount, therefore, can signal that the product or service is of a low quality. Brand equity should counteract this effect, resulting in greater interest in the price deal.

**Efficient Site Structure**

Creating an efficient site structure will enhance exploration, but only to the extent that the user believes that the site is worth exploring. A high equity brand should increase exploration by affecting expectations about site content. Visitors at well respected sites such as baazee.com, naukri.com, icicidirect.com and indiamart.com explore because it is easy to do so, but also because they expect value in both the products and services that are offered.

**Commitment**

The brand equity value that is perhaps most critical to building commitment is trust. Trust is particularly important for financial services products where consumers must rely on the firm behind the brand to maintain security, privacy, and confidentiality. Brands such as ICICI bank, Axis bank, and India bulls stand out in this arena. Also important is the psychological and emotional connection that customers have with the brand.

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Being committed to a firm can also be accelerated by a strong brand personality that reflects the consumer’s current or desired self-concept. Brand personality has been defined as “the set of human characteristics associated with a brand.”¹¹³

**Volume Discounts**

Consumers and business buyers should be more willing to stock up on high equity brands. Consumers may view volume discounts on low equity brands with suspicion because there is something wrong with the sale merchandise or a discount on a low equity brand may affect quality perceptions—it cannot be that good a deal if they have to discount it. In either case, volume discounts on high equity brands are likely to evoke larger volume purchases than the same level of discount on a low equity brand. In turn, larger volume purchases can translate into greater commitment to the relationship.

**Personalized Pages**

The likelihood that customers will take advantage of web site customization features or capabilities is directly related to the value of the brand. In the first instance, the customer must trust the company behind the brand before he or she will register to take advantage of the website’s customization features. Strong brands are likely to create favorable expectations relative to customer privacy, secure computing, and corporate responsibility. A further effect of brand on user commitment is that customers must believe that the brand will provide value on an ongoing basis (e.g., product and service quality). Without this belief, personalization will not necessarily lead to commitment.

The same logic is likely to apply to the effect of brand on permission marketing, customer loyalty programs, customer service initiatives, and so forth. To the extent that the brand is known and has positive associations, the firm is likely to receive differential payoffs in terms of customer commitment.

**Customer Recognition**

The value of customer recognition should be a direct function of brand equity. Receiving recognition from a brand that is well known, popular and prestigious should be more highly value by customers than the same level of recognition from a low equity brand. Customers should be more motivated to commit themselves to attractive brands that provide recognition. Some research supports this perspective. One study found that the greater the perceived attractiveness of a group, the stronger the psychological attachment to it, and the greater the willingness to undertake behaviors that support the group.¹¹⁴

**Dissolution**

A strong brand should help the dissolution stage in two respects. First, a high equity brand will soften the potential backlash against firms that disengage from unprofitable or undesirable customers. When the firm withdraws services, raises prices, or cuts marketing expenditures, some customers are bound to have hard feelings. These customers might be puzzled or even hurt over the change in the relationship. A strong brand may help to lessen these negative feelings, even though the relationship has ended. A second benefit is that some customers will remain despite the fact that the firm has demonstrated its desire to terminate, or at least redefine, the relationship. Customers are less likely to exit after a reduction in service

because of their psychological and emotional connection to the brand. Firms benefit by reducing marketing expenditures, hopefully changing unprofitable customers into profitable ones.

**Identify “Departing Friends”**

High-equity brands should be better able to identify and track customers who are likely to exit. As a result, the firm should implement customer care programs that allow them to retain customers who have become disenchanted or simply bored with the relationship. Of course, the firm can distinguish between customers on the basis of their present or future profitability.

**Discontinue Pricing Discounts**

Customers who have very strong and favorable brand associations are more likely to remain with the firm despite a removal of price discounts than customers who do not perceive the value of the brand. Even at a higher price, high equity brands can provide greater value than competing brands that are functionally equivalent or even superior. The firm retains customers despite a price increase (i.e. the removal of a price discount) because of the intrinsic value of the brand.

**Reduce Advertising Expenditures**

Prior investments in advertising reduce the speed at which brand awareness and knowledge decline. As a result, customers maintain brand loyalty. One study seems to support the importance of brand equity in retaining customers when advertising expenditures are reduced. In a study of more than 1000 advertised brands, mostly repeat purchased consumer goods, the researcher found that lower advertising spending is a successful strategy
only for stronger brands.\textsuperscript{115} Weaker brands lost share when they under spent on advertising, whereas stronger brands maintained or grew their market share despite similar spending levels.

\textbf{Reduce Customer Care}

Brands can even maintain customer ties when service features or options are removed. Again, the relationship is often held together by much more than just the functional connections between buyer and seller. If customers have an emotional attachment to the brand, they may be willing to accept less value to maintain the relationship. The strength of the brand may also reduce consequences such as negative word of mouth through e-mail, chat rooms, and bulletin boards.

In each of these examples, the brand is not the primary lever that moves the customer from one stage to the next. Rather, the brand works in conjunction with a lever to either enhance the lever’s positive effects or minimize the deleterious effects of providing less value to the customer.